SMITH KATZENSTEIN JENKINS LLP

December 1, 2016

BY ELECTRONIC FILING
The Honorable Gregory M. Sleet
U.S. District Court, District of Delaware
844 N. King Street, Unit 19
Wilmington, DE 19801-3569

Re: *IOENGINE, LLC v. Imation Corp.*, C.A. No. 14-01572-GMS

Dear Judge Sleet:

Pursuant to the Scheduling Order (D.I. 17), as amended (D.I. 109, 134) the parties in the above referenced action are writing to the Court to present their respective arguments on whether good cause exists for a fourth discovery teleconference to address the review of Imation's complete source code pursuant to the Court's Order during the Discovery Telephone Conference (#3) held on November 8, 2016.

IOENGINE's Position

Following the Court's November 8th Order, counsel for IOENGINE has diligently attempted to reach agreement with counsel for Imation on the procedure for reviewing Imation's long-withheld source code. Unfortunately, the parties have been unable to agree on two fundamental points, the location for the review and the ability of IOENGINE's expert to make a limited number of printouts from the source code, as needed and under the strict restrictions of the source code review procedure in the agreed Protective Order (D.I. 25). The parties are now at impasse.

The two issues are more fully explained below:

- IOENGINE's expert, Dr. Kevin Butler, will conduct the source code review. Dr. Butler is a Professor at the University of Florida and has teaching and other responsibilities during the school semester. Previously, the Court instructed the parties not to inconvenience the experts and not to "infringe on their livelihoods, the main source of their income." Sept. 14, 2016 Conference Tr. at 85:22-23. And, indeed, when IOENGINE provided its MediKey data for review by Imation's expert, IOENGINE hosted that review in Atlanta, at Imation's request and for the convenience of Imation's expert. IOENGINE has requested that Imation's source code be made available in Gainesville (where Dr. Butler is located and where Imation's counsel is traveling for Dr. Butler's deposition on November 29th), or in Atlanta (where the parties previously conducted the MediKey data review and which is a short trip for Dr. Butler). IOENGINE has further offered to share the cost of the review room in Gainesville or Atlanta, as was done for the review of the Medikey data. Imation has refused IOENGINE's request and has offered to provide its source code only in Chicago or Delaware, each of which require more than 8-hours of round-trip travel time for Dr. Butler. Dr. Butler has already traveled to Delaware to review Imation's source code on three separate occasions—each time finding missing or deleted code that Imation subsequently provided, or, as now, has been Ordered to provide.

- When conducting the source code review, Dr. Butler requires the ability to print out sections of the source code in order to cite to it appropriately and testify about it at trial. The source code review procedures in the agreed Protective Order allow for printing, Bates stamping of the printed pages and production. On the November 8, 2016 discovery teleconference, Imation expressed concern with the number of printouts previously made from its source code. Although IOENGINE does not agree that the previous printing was in any way improper, to address Imation's concern, IOENGINE has offered to cap any new printing at a maximum of 25 pages. Imation refuses to allow *any* printing and has insisted on a 'protocol' that would forbid printing and require that any notes taken by IOENGINE's expert be turned over to Imation and impounded for more than a week.

Imation also disingenuously insists that the Court expressed the view on the November 8, 2016 teleconference that no printing be allowed. This is wrong; rather, the Court merely inquired whether that would be appropriate and instructed the parties to work it out among themselves. Indeed, the Court ultimately directed that the parties "us[e] some form -- let's further refine it -- some form of the Medikey process that you both agreed to," Nov. 8, 2016 Discovery Teleconference Tr. at 20:23, which allowed for printing. When the evidentiary difficulty of preventing all printing was explained to Imation's counsel during the parties' meet and confer, counsel's response was "that's not my problem; that's your problem."

IOENGINE respectfully submits that good cause exists for a discovery teleconference because the Court has already Ordered that Imation provide its source code for review without deletions, because trial in this case is less than 7 weeks away, and because Imation's refusal to provide its source code expeditiously and in a manner that allows for evidentiary use at trial is creating a distraction to the parties' pretrial preparation. For the foregoing reasons, IOENGINE submits that Imation should provide its source code, including all previously deleted portions, for review by IOENGINE's expert in Gainesville (or Atlanta, at Imation's discretion), and that the review be conducted under the source code review procedures in the Protective Order with the modification that any printouts are capped at 25 pages.

Imation's Position

- Imation has offered the source code for inspection any day until the pre-trial hearing in its attorneys' offices in Chicago, or by agreement in its Delaware counsels' offices. To date, IOENGINE has not agreed.

- Imation agrees with the Court's recommendation that no additional printing of source code be conducted, in part because IOENGINE has already printed over 1,600 pages of source code. To date, IOENGINE has not agreed.

At the outset of this case, IOENGINE agreed to allow Imation to redact highly proprietary source code, thereby acknowledging that the source code is not relevant to this case. Now, IOENGINE demands to see *all* source code. This Court has ordered that the redacted source code be provided pursuant to an inspection protocol worked out by the parties "using… some form of the MediKey process." (11/8/2016 Tr. at 20:21-21:3). Shortly after the hearing, Imation provided such a protocol based on the MediKey inspection protocol. Following the Court's recommendation, the inspection protocol did not include printing, but allowed the expert to take notes during the inspection. (*See id.* at 16:3-12). The Court recommended this in view of Imation's concern that IOENGINE's has already printed over 1,600 pages of Imation's source code.

Rather than provide comments on the inspection protocol, IOENGINE proposed edits to the existing Agreed Protective Order (D.I. 25) because it claimed that the Court-ordered inspection protocol is "unworkable," but offered no additional explanation. The proposed changes to the protective order were directed to (1) allowing printing of the redacted source code, and (2) mandating that the inspection take place in either Gainesville or Atlanta, even though Imation's proposed inspection protocol was more comprehensive. The irony is not lost on Imation that IOENGINE should propose the protective order as a vehicle for an inspection of the redacted source code since IOENGINE has already acknowledged that it is not following the requirements of the protective order when it comes to reviewing source code. The protective order requires that "The Receiving Party shall not print Source Code in order to review blocks of Source Code elsewhere in the first instance, i.e., as an alternative to reviewing that Source Code electronically on the Confidential Source Code Computer," and "The burden shall be on the Receiving Party to demonstrate that such printed portions are no more than is reasonably necessary for a permitted purpose and not merely printed for the purposes of review and analysis elsewhere." (D.I. 25 at § 11(ii)) However, IOENGINE has already admitted that it reviewed and analyzed the 1,600 pages of source code outside of the inspection room.

Location of Redacted Source Code Inspection

IOENGINE claims that the only proper locations for an inspection of the redacted source code take place either in Gainesville Florida, where its expert resides, or in Atlanta. IOENGINE has never explained why it believes Atlanta is an appropriate location except to say that the USB Protocol formatted data that was the result of the MediKey device inspection was reviewed in Atlanta. This review was conducted in Atlanta because Defendants' invalidity expert, Dr. Vijay Madisetti resides in Atlanta, but Dr. Madisetti has nothing to do with Imation's source code. Moreover, even though IOENGINE sent the standard USB data to Atlanta for review, the actual inspection of the device took place in New York, requiring Defendants to send one of its designated experts there to conduct the inspection before the standard USB data was forwarded to Atlanta.

Imation has offered the redacted source code for inspection in Imation's attorneys' office in Chicago, any day up to the date of the Pre-Trial Hearing on December 16. To limit the scheduling impact on IOENGINE's expert, Imation agreed to waive the Court's recommendation that both experts be present during any inspection, and agreed to provide all of the source code, rather than just the redacted source code, in order to put the redacted portions into context. IOENGINE has rejected this offer claiming that the inspection can only take place in Gainesville or Atlanta. In an attempt to find further compromise, Imation also offered the source code for inspection in Imation's Delaware counsels' offices. This too was rejected.

IOENGINE claims that having the inspection anywhere but Gainesville or Atlanta would be an inconvenience for its expert Dr. Butler, but the same inconvenience would also exist for Imation and its expert to the extent that both experts must be present during the inspection. However, IOENGINE does not need to inconvenience Dr. Butler to conduct an inspection of the redacted source code. IOENGINE has also designated Dr. Adam Bates as one of its experts. Dr. Bates is one of Dr. Butler's former students who Imation believes was involved with the initial review of Imation's source code. Dr. Bates is also a professor at the University of Illinois in Champaign/Urbana – just over two hours by car from Imation's attorneys' offices. Having Dr. Bates inspect the redacted source code, rather than Dr. Butler, would eliminate any inconvenient to Dr. Butler. Imation remains committed to allowing any of IOENGINE's experts inspect the redacted source code in Chicago any day prior to the pretrial hearing, and even willing to accommodate IOENGINE after that date, or in Delaware where the case is filed.

Printing of More Source Code

Imation agrees with the Court's recommendation that Imation not be allowed to print the redacted source code. IOENGINE has already printed over 1,600 pages of source code – only a small percentage of which is relied on in attempting to show infringement. In addition, IOENGINE has admitted that not all of the review and analysis of the source code produced thus far was conducted in the inspection room, as required by the protective order. For these reasons, Imation remains concerned about printing portions of its source code that IOENGINE has already acknowledged is highly proprietary, may have questionable relevance, and providing it to a potential competitor, in particular given IOENGINE's improper review and analysis of the earlier produced source code.

Discovery in this case ended May 23, 2016. The Court rightfully warned about this new inspection of the redacted source code becoming a distraction at this late stage of the case. (*See* 11/8/2016 Tr. at 19:6-12). But that is exactly what happened. Notwithstanding its new demands, IOENGINE claims to have shown that Imation has infringed all of the asserted claims based in part on the 1,600 pages of source code already produced. Imation believes that at this point, rather than continuing discovery in this case – which closed over seven months ago – the parties should be concentrating on preparing for trial. As a result, Imation does not believe another discovery hearing will help either party to that end.

Respectfully,

/s/ Eve H. Ormerod

Eve H. Ormerod (No. 5369)

cc: All Counsel of Record (*via CM/ECF*)
Clerk of the Court (*via CM/ECF*)